

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
DECEMBER 21, 2015**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, December 21, 2015.

The meeting was called to order by Chairman Rick Stradtner.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Rick Stradtner – Chairman
Doug Schulte – Vice Chairman
Roger Seng – Secretary
Alex Emmons – Wastewater Commissioner
Wayne Schuetter – Electric Commissioner
Dave Hurst – Water Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Ernie Hinkle – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Ashley Kiefer – Office Manager
Renee Kabrick – City Attorney

ABSENT:

Bud Hauersperger – General Manager
Keith Masterson – Gas Commissioner

PLEDGE OF ALLEGIANCE (DVD-00:43)

Chairman Rick Stradtner led the Pledge of Allegiance.

RECOGNITION TO BOARD MEMBERS (DVD-01:08)

Chairman Stradtner recognized and thanked Board members Doug Schulte and Dave Hurst for their service on the Utility Service Board. Doug Schulte will be retiring at the end of the year; he has served on the Board for eight years. Dave Hurst has been elected to the City Council; therefore he will no longer serve on the Utility Service Board.

APPROVAL OF MINUTES (DVD-1:57)

Chairman Rick Stradtner presented the minutes of the November 16, 2015 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Alex Emmons made a motion to approve the minutes of the meeting as presented. Wayne Schuetter seconded the motion. Motion approved, 6-0.

REVISED QUOTES FOR BREAK SAFE & LOAD PICK UP JUMPERS (DVD-2:27)

Jerry Schitter reminded the Board that at last month's USB meeting he received permission to purchase three break safe and load pick up jumpers. The low quote for the jumpers was HD Supply Company for \$9,467.04. Schitter explained that before placing the order for the jumpers they realized that the quote was for 40,000 KVA jumpers instead of 15,000KVA jumpers, which is all that is needed. Schitter asked all three vendors to requote the jumpers with the correct voltage. The low quote for the 15,000KVA jumpers was Anixter (formerly HD Supply) in the amount of \$6,360.

Wayne Schuetter made a motion to rescind the prior motion and approve the purchase of the 15,000KVA break safe and load pick up jumpers from Anixter for \$6,360. Roger Seng seconded the motion. Motion approved, 6-0.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-05:05)

Wayne Schuetter, Chairman of the Electric Planning Committee, stated the committee did meet on December 4, 2015. At the meeting the Committee reviewed the Electric Department's 2016 Capital Expenditure Plan. After much discussion and evaluation the Committee agreed to recommend to the Board the Capital Expenditure Plan totaling \$76,300 for the Electric Department as presented.

Alex Emmons made a motion to approve the Electric Department's 2016 Capital Expenditure Plan as presented. Dave Hurst seconded the motion. Motion approved, 6-0.

The Committee also discussed two larger infrastructure maintenance projects that the department will be undertaking in 2016. These projects are not included in the 2016 Capital Expenditure Plan. One project is to upgrade to new primary underground service in the west side of the Grassland Hills area. The current infrastructure is 35 to 40 years old. All of the labor will be done in house. The supplies for this project are estimated to cost \$41,470.

The other project is to upgrade old overhead to new primary underground service in the Baden Strasse area. Again the labor will all be done in house, and the supplies for this project are estimated to cost \$50,662.

The Committee also discussed a draft RFP prepared by Cardno to be sent out to obtain bids for demolition and/or the purchase of the Power Plant property and associated structures. It was explained that there are two options listed in the RFP.

One option is to request bids for demolition (including asbestos abatement) of the proposed structures associated with the Power Plant. The second option is to request bids for the purchase of the site as-is. It is not required that interested parties bid on both options. A mandatory contractor site walkthrough will be scheduled for January 20, 2016 at 10:00 AM. The bids will then be due by 4:00 PM on February 23, 2016.

Attorney Kabrick stated that she would like to send a sample contract as an addendum to the RFP, which she is working on at this time.

Doug Schulte made a motion to approve sending out the RFP for the salvage and/or purchase of the site as-is with the structures associated with the Power Plant, with bids being due on February 23, 2016 by 4:00 PM. Dave Hurst seconded the motion. Motion approved, 6-0.

Wayne Schuetter stated that it will be a requirement to attend the walkthrough meeting on January 20, 2016 for anyone wanting to submit bids. Schuetter also stated that it will be under the Board's control to accept or reject the bids once received.

RESULTS OF CHEMICAL QUOTE OPENING (DVD-12:54)

Ernie Hinkle presented a comparison (see attached) of the chemical quotes that were opened at the November USB meeting. The low quotes and/or the most responsive quotes are as follows:

PAC Flocculant – Brenntag Mid South
Lime – Mississippi Lime
Carbon – Brenntag Mid South
Chlorine – Brenntag Mid South
Hydro Fluosilicic Acid – Brenntag Mid South
Cairox Potassium – Hawkins
Algicide – Water Solutions
Sodium Bisulfite – Brenntag Mid South

The comparison document explains the exceptions to the low quotes, per Hinkle.

Dave Hurst made a motion to approve the low quotes for the chemicals, with the exception for the carbon change as noted, for 2016 as presented. Wayne Schuetter seconded the motion. Motion approved, 6-0.

REQUEST TO REPAIR TRAVELING SCREEN (DVD-16:45)

Ernie Hinkle explained to the Board that Evoqua did inspect the traveling screen. Evoqua found a problem with the boot section guides on both the right and left side while inspecting. Hinkle explained that Evoqua will need to bring a three man crew in to perform a dive to fix the guides. They will repair the guides by replacing the rusted bolts with stainless steel bolts which should last much longer. After replacing the bolts, they will finish the inspection of the screen. Evoqua will video the inspection so it can be reviewed by the Water Department.

The quote from Evoqua for parts and labor to repair the guides for the traveling screen is \$7,630.

Dave Hurst made a motion to give Hinkle permission to approve Evoqua to repair the traveling screen in the amount not-to-exceed \$7,630. Roger Seng seconded the motion. Motion approved, 6-0.

GAS PLANNING COMMITTEE REPORT (DVD-20:00)

Rick Stradtner, Chairman of the Utility Service Board, stated that the Committee did meet on December 9, 2015. At the meeting the Committee reviewed the Gas Department's 2016 Capital Expenditure Plan. After much discussion and evaluation the Committee agreed to recommend to the Board the Capital Expenditure Plan totaling \$172,000 for the Gas Department as presented.

Wayne Schuetter made a motion to approve the Gas Department's 2016 Capital Expenditure Plan as presented. Doug Schulte seconded the motion. Motion approved, 6-0.

WATER PLANNING COMMITTEE REPORT (DVD-24:58)

Dave Hurst, Chairman of the Water Planning Committee, stated the Committee did meet on December 9, 2015. At the meeting the Committee reviewed the Water Department's 2016 Capital Expenditure Plan. After much discussion and evaluation the Committee agreed to recommend to the Board the Capital Expenditure Plan totaling \$189,300 for the Water Department as presented.

Doug Schulte made a motion to approve the Water Department's 2016 Capital Expenditure Plan as presented. Wayne Schuetter seconded the motion. Motion approved, 6-0.

RESULTS OF LOADER BACKHOE QUOTE OPENING (DVD-29:54)

Ed Hollinden informed the Board that the loader backhoe that was quoted at the November USB meeting did meet specifications and was ordered from Hopf Equipment for the low quote of \$13,018.

RESULTS OF LIFT STATION GENERATOR QUOTE OPENING (DVD-30:15)

Hollinden informed the Board that Cummins Crosspoint was the low quote in the amount of \$15,212.04 for the lift station generator. The quote did meet all specifications. Hollinden asked for the Board's permission to purchase the generator from Cummins Crosspoint. Hollinden stated that this generator will be going to the Ackerman Lift Station.

Alex Emmons made a motion to give Hollinden permission to purchase the lift station generator from Cummins Crosspoint for \$15,212.04. Wayne Schuetter seconded the motion. Motion approved, 6-0.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-31:25)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the Committee did meet on December 4, 2015. At the meeting the Committee discussed the Wastewater's phosphorus removal study.

Ed Hollinden reminded the Committee that IDEM notified the City of future phosphorus effluent limitations affecting all NPDES permit holders for major sanitary wastewater treatment facilities. According to IDEM, wastewater treatment plants constitute 90% of the total load of phosphorus discharge into Indiana waterways. IDEM will require that the total phosphorus limit of 1.0 mg/l, as a monthly average, be met by 5/1/2019. The City has until 11/1/16 to submit a written progress report to IDEM with a description of the method selected for meeting the final permit limit requirements for phosphorus. Phosphorus levels can be lowered by biological and/or chemical means.

Hollinden stated that he asked three engineering firms for proposals on conducting this study. Proposals were received from Midwestern Engineers for \$8,800, Donohue and Associates for

\$18,900, and Clark Deitz for \$19,940. Hollinden feels strongly that Donohue would be the best firm to handle this study. All the engineering firms have experience; however, Donohue has already completed over 40 projects, and is very familiar with our plant, since they performed our emergency generator study.

Donohue feels that handling the phosphorus by chemical means will be the best option, but they would look at both options in the study.

Hollinden said that he hopes the entire project could be done for less than \$600,000. If the study proves that chemical means should be taken to reduce phosphorus, he anticipates chemical costs would run \$250,000 per year. Funding for the project was discussed. Estimated project costs were included in the last rate study, and will also be included in the rate study that is required again this summer. There is also approximately \$1.4 million in the Plant Expansion fund. This fund could possibly be used for this project.

Hollinden would like to get approval at the December USB meeting for the Donohue phosphorus removal plan study proposal for a not-to-exceed fee of \$18,900. The Committee agreed to recommend approval of the Donohue proposal at the December meeting.

Roger Seng made motion to approve Donohue and Associates to perform the phosphorus removal plan study for a not-to-exceed fee of \$18,900. Wayne Schuetter seconded the motion. Motion approved, 6-0.

Chairman Stradtner stated that the phosphorus removal plan is a mandated project.

At the meeting the Committee also reviewed the Wastewater Department's 2016 Capital Expenditure Plan. After much discussion and evaluation the Committee agreed to recommend to the Board the Capital Expenditure Plan totaling \$709,000 for the Wastewater Department as presented.

Dave Hurst made a motion to approve the Wastewater Department's 2016 Capital Expenditure Plan as presented. Wayne Schuetter seconded the motion. Motion approved, 6-0.

ANNUAL BAD DEBT WRITE-OFF (DVD-43:44)

Ashley Kiefer stated that this year's annual bad debt write-off amount totals \$7,945.31, out of an estimated \$42,200,000 in sales for 2015. This amount represents .019% of sales. This amount is almost the same amount of write-off as last year. Last year's bad debt write-off totaled \$7,990.58 and was .018% of sales.

Wayne Schuetter made a motion to approve the request to write-off bad debts for 2015 in the amount of \$7,945.31. Doug Schulte seconded the motion. Motion approved, 6-0.

UPDATE ON COLLECTION ACTIVITIES (DVD-45:14)

Kiefer updated the Board regarding 2015 collection activities for Jasper Municipal Utilities. In 2015, 83 collection letters were sent out by the Jasper Municipal Utilities Business Office. Of those 83 letters, 67 small claims complaints were filed.

The total amount collected in 2015 was \$26,599.54. When complaints are filed, court costs get added to them. The court costs collected totaled \$6,447. So, the total amount collected for the Jasper Municipal Utilities was \$20,152.54. The City has been using the Small Claims process since 2007.

Kiefer acknowledged and thanked Mary Huff, Diana Steffen, and Jean Seidl, Customer Service Clerks for Jasper Municipal Utilities, for all of their hard work in the collection process. Kiefer also thanked Attorney Kabrick and her legal assistant Valeri Cockerham, for their help in the small claims process.

OUTSIDE WATER SERVICE AGREEMENTS (DVD-46:38)

Kiefer informed the Board that it was brought to her attention by Mayor Seitz that the City was informed that mailers will be sent out to City of Jasper Water and Wastewater customers from American Water Resources. This is an independent company trying to sell additional insurance on water lines to the home. Kiefer reminded home owners that the City of Jasper does not endorse this insurance.

BEAVER LAKE SPILLWAY MODIFICATION PROJECT – SUBSTANTIALLY COMPLETE AS OF DEC. 15TH (DVD-47:34)

Ernie Hinkle informed the Board that the Beaver Lake Spillway modification is substantially complete as of December 15, 2015. Hinkle stated that all concrete has been poured, and only cleanup needs to be finished.

FINANCE PLANNING COMMITTEE MEETING (DVD-48:13)

Roger Seng, Secretary, stated that the Finance Committee did meet on December 17, 2015. At the meeting the Committee reviewed the Business Office's 2016 Capital Expenditure Plan. After much discussion and evaluation the Committee agreed to recommend to the board the Capital Expenditure plan totaling \$28,000 for the Business Office as presented.

Wayne Schuetter made a motion to approve the Business Office's 2016 Capital Expenditure Plan as presented. Dave Hurst seconded the motion. Motion approved, 6-0.

Wayne Schuetter reminded the Board that all Business Office purchases get split between all four Utility Departments.

At the Committee meeting, Bud Hauersperger also updated the Committee on the server and phone projects. Work has started on the server configuration and it should be completed by the end of the year. The new phones have been ordered. Training is to start in January, with final cutover to the new phone system by the end of January.

Kiefer also mentioned that she has begun looking at staffing needs in the office. New policies and processes for utility deposits will be implemented soon that will increase the workload in the office. There are already a high number of overtime hours worked in the office each year and she would like to get that amount cut down to a minimum.

FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET (DVD-52:45)

Roger Seng reported that the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Alex Emmons made a motion to approve the claims as presented. Wayne Schuetter seconded the motion. Motion approved, 6-0.

BEAVER LAKE SPILLWAY MODIFICATION CERTIFICATE OF INSURANCE (DVD-53:40)

Attorney Kabrick informed the Board that there was an insurance provision that the City required in the contract with Krempp Construction for the Beaver Lake Spillway modification project. Kabrick stated that Krempp showed concern due to the substantial completion date versus the final completion date of the project in regards to the amount of insurance coverage that they had to carry. Krempp asked if they could reduce their insurance requirements after the substantial completion date is met. Kabrick agreed that this was an appropriate request as long as substantial completion was met. Kabrick stated that final completion is not anticipated until after spring, when the grass and vegetation comes in.

Kabrick asked for the Board's permission to issue a Substantial Completion certificate, at the time one is requested by Krempp, but only if all work has been substantially completed. Kabrick stated that Krempp's insurance certificate may expire before the January USB meeting; therefore approval of the certificate will allow them to reduce their insurance if necessary. Kabrick is not sure if Krempp has asked for the certificate at this time.

Chairman Stradtner stated that since Krempp has not asked for the Substantial Completion certificate it seems premature to move forward with the motion at this time. Doug Schulte stated that the engineer does have to sign off on the certificate before the project is substantially complete.

APPROVE SHARED DUCT AGREEMENT WITH SMITHVILLE TELECOM, LLC (DVD-59:01)

Attorney Kabrick presented the Board with a Shared Duct Lease Agreement with Smithville Telecom, LLC. Kabrick reminded the Board that Smithville is in the process of building out the City of Jasper fiber network. The City of Jasper is cooperating with Smithville to make this buildout happen.

Kabrick stated that on South Newton the City of Jasper owns a duct that runs under Patoka River. The duct is in place but has no wiring or fiber running through it. Kabrick stated that Smithville has requested to use this duct in order to run their fiber for the City of Jasper. Kabrick asked for the Board's permission to approve a Shared Duct Agreement with Smithville for fiber to be run through the duct on South Newton. The lease agreement will allow Smithville use of the duct to run fiber at no charge to Smithville for a term of ten years. Kabrick stated the City would benefit from this arrangement.

Wayne Schuetter made a motion to approve a Shared Duct Lease Agreement with Smithville Telecom LLC for a period of ten years at no charge to Smithville Telecom LLC. Doug Schulte seconded the motion. Motion approved, 6-0.

MAYOR SEITZ (DVD-1:09:16)

Mayor Seitz thanked Doug Schulte and Dave Hurst for their service to the Utility Service Board. Mayor also wished everyone a Merry Christmas.

There being no further business to come before the Board, the meeting was adjourned at 8:12PM upon motion by Doug Schulte and second by Dave Hurst. Motion approved, 6-0.

The minutes were hereby approved_____ with X without corrections this 19th day of January, 2016.

Attest: _____
Secretary Chairman